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TO: The Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix, AZ 85007-2996

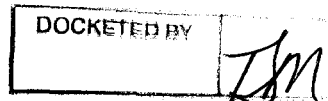
Arizona Corporation Commission

DOCKETED

AUG 20 2012

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FROM: Thomas and Rosamond Tedor
247 Nelson Eddy Way
Beaver Dam, Arizona 86432



ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

RE: Beaver Dam Water Company (BDWC) Rate Increase, docket # W-03067A-12-0232

Dear Commissioners:

We are in opposition to the water rate increase referenced above and respectfully ask that you veto, or severely modify, the request.

While the verbiage of the request purports to encourage water conservation, equity across rate payers and responsible, forward looking system operation it does none of these. Regards these items:

- Conservation of treated water for public consumption has been addressed by the Beaver Dam Property Owners Association (BDPOA) to a far greater extent than anything the BDWC has done. The BDPOA invested thousands of dollars and labor man hours to taking non-personal water consumption uses off of the public water system and putting it onto a well system constructed on Association property. This rate increase ignores the expenditures made by the Association to further the State of Arizona's goal of conservation public water sources and punishes the Association and its senior retiree members for that conservation.
- Without consideration of the considerable costs borne by Association members to decrease reliance on public water and conservation of this resource there can be no meaningful "rate equity" when comparing one what one homeowner pays to the Association for treated water versus what a non-association consumer pays.
- In regards to what the BDWC charges across the rate base – the Association is the customer and the issue should be the rate charged to the Association for the six inch water line and not individual customers. It is clear to us that the BDWC had no intention of charging individual consumers when building the system into the retirement community since it did not install house meters when it was most cost effective to do so. The inclusion of what each Association member is purported to pay for treated water only seeks to inflame a sense of inequity that is not real while not revealing the full cost of water improvements and conservation costs paid by Association members.
- It is noted that the BDWC in the rate case already proposes to increase the cost of the six inch line rate and that is the issue the commission should consider. It is general industry practice for water companies that deliver water in bulk to price it accordingly and not as if it were a "full boat" individual consumer cost.
- Also, the BDWC suggests that it will be required to replace 1300 feet of water main damaged by the 2010 flood and that customers be required to foot the bill for those repairs. As many people in the park discovered, flood damage repairs have to be paid for by flood

W03067A-12-0232

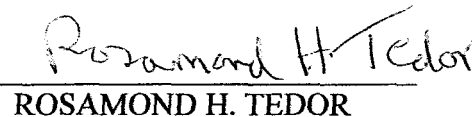
insurance and lack of foresight in that regard is not an excuse to look elsewhere for relief. The flood did significant damage to homes and property in this retirement community. The home owners are going to have to pay out of their own pockets for numerous repairs and we don't have a commission to go to for help because of lack of insurance. We believe the BDWC should be just as responsible.

In closing, we ask that you disregard the inclusion of the many numbers and words that have no place in this rate request. The issue is not, as BDWC tries to state, what the BDPOA property owners pay their Association but what this significant rate increase charges to all its customers whether they be on a meter or served by a six inch main.

Thank you for your consideration of our request to veto or severely modify the Beaver Dam Water Company rate request.

Sincerely,


THOMAS P. TEDOR


ROSAMOND H. TEDOR